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TO SECSTATE WASHDC IMMEDIATE 5397

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FOR THE SECRETARY FROM AMBASSADOR WALTERS

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E.O. 12065: RDS-1, 3 7/6/02 (KING. B) OR-M
TAGS: PEPR PINR MNUC PK
SUBJECT: MY FINAL MEETING WITH PRESIDENT ZIA

REF: (A) ISLAMABAD 10238; (B) ISLAMABAD 10239

1. (S) - ENTIRE TEXT. DEPARTMENT REPEAT TO LONDON TO
HOLD FOR AMBASSADOR WALTERS FOR HIS DISCUSSIONS WITH
BRITISH.

2. SUMMARY: AS PLANNED I HAD SECOND MEETING WITH
PRESIDENT ZIA ON NUCLEAR ISSUE WITH AIDES PRESENT.
ESSENCE OF DISCUSSION IS THAT ZIA SAID HE ACCEPTED OUR
INTELLIGENCE AS ACCURATE BUT DENIED PAKISTAN INVOLVED,
DESCRIBING EVIDENCE AS FABRICATION. HE HOPED PAKISTAN
WOULD BE GIVEN A CHANCE TO DEFEND ITSELF BEFORE CONGRESS
INFORMED AND HE GAVE ASSURANCES THAT PAKISTAN WOULD NOT
MANUFACTURE A NUCLEAR WEAPON OR NUCLEAR EXPLOSIVE DEVICE
OF ANY KIND. LETTER TO PRESIDENT REAGAN DOES NOT GO
QUITE AS FAR AS VERBAL ASSURANCES, WHICH I BELIEVE
REPRESENT STATEMENT "IT DID NOT HAPPEN, BUT YOU CAN BE

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SURE IT WON'T HAPPEN AGAIN." MUCH OF REST OF WHAT WAS
SAID I REGARD AS FACE SAVING FOR HIMSELF AND HIS
SUBORDINATES. ON IAEA ZIA SAID THEY WOULD PROVIDE EVEN
MORE THAN SAFEGUARDS REQUIRED BY AGREEMENT BUT WOULD NOT

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RENEGOTIATE. NOW THAT WE HAVE MADE DEMARCHE IT IS IMPORTANT THAT EVERY EFFORT BE MADE IN BRIEFING THE HILL TO PREVENT THIS MATTER FROM BECOMING PUBLIC. END SUMMARY.

3. ACCOMPANIED BY CHARGE KING AND DR. GALLUCCI I MET AS PLANNED LATE EVENING JULY 5 WITH PRESIDENT ZIA, FOREIGN MINISTER YAQUB, GENERAL ARIF, MUNIR KHAN, FINANCE MINISTER GHULAM ISHAQ AND FOREIGN SECRETARY NAIK. ZIA BEGAN BY SAYING THAT SINCE I DELIVERED MY MESSAGE YESTERDAY, HE AND HIS ADVISERS HAD BEEN "SCRATCHING THEIR HEADS" OVER THE INFORMATION THAT PAKISTAN HAD SOUGHT TO HAVE NUCLEAR WEAPONS COMPONENTS FABRICATED FOR THEM IN FOREIGN COUNTRIES. HE SAID THAT THEY KNEW NOTHING OF THIS, BUT THAT HE WAS SURE THE PRESIDENT WOULD NOT HAVE SENT ME UNLESS HE HAD GOOD REASON: "THE PRESIDENT MUST BE RIGHT, YOUR INFORMATION MUST BE RIGHT -- I ACCEPT ITS AUTHENTICITY."

4. ZIA THEN WENT ON TO REVIEW RECENT CONTACTS BETWEEN PAKISTAN AND US REPRESENTATIVES, FOCUSING PARTICULARLY ON THE SATISFACTORY UNDERSTANDING ON THE NUCLEAR ISSUE HE BELIEVED WAS ACHIEVED WITH UNDERSECRETARY BUCKLEY LAST YEAR. ZIA SAID THAT HE NOW UNDERSTOOD OUR WHOLE RELATIONSHIP WAS PUT AT RISK AGAIN BY THE NUCLEAR ISSUE. HE SAID HE WAS VERY CONCERNED THAT THIS INFORMATION WOULD BE REVEALED TO CONGRESS WITHOUT PAKISTAN HAVING AN OPPORTUNITY TO SEE THE EVIDENCE AND DEFEND ITSELF. FINANCE MINISTER GHULAM ISHAQ ALSO ASKED THAT THEY BE ALLOWED TO SEE THE EVIDENCE, PROTECTING OUR SOURCES ANY
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WAY WE CHOSE. THEY ASKED US TO NAME THE COMPANY INVOLVED, "TELL US WHO IN MUNIR'S OUTFIT" IS RESPONSIBLE. ZIA SAID THAT THERE ARE THOSE WHO WANT TO HURT PAKISTAN'S RELATIONSHIP WITH THE U.S. HE INSISTED THAT "IT IS NOT PAKISTAN'S DOING, IT'S A PLOT; I'D LIKE YOU TO BE CAUTIOUS." ZIA THEN REITERATED HIS ASSURANCES THAT "PAKISTAN WILL NOT EMBARRASS THE US ON THIS ISSUE" AND PAKISTAN WILL NEVER AND HAS NEVER INDULGED IN THE MANUFACTURE OF NUCLEAR WEAPONS."

5. ON THE KANUPP SAFEGUARDS ISSUE, ZIA SAID PAKISTAN WOULD GO MORE THAN HALF WAY TO MEET IAEA WITHIN THE AGREEMENT, OR BEYOND THAT IF THE AGENCY NEGOTIATES IN THE RIGHT SPIRIT, BUT THAT PAKISTAN WOULD NOT AGREE TO RENEGOTIATE THE AGREEMENT. HE SAID HE WOULD AGREE TO ANY

SAFEGUARDS THE AGENCY WANTED AT KANUPP. (COMMENT: HE PRESUMABLY MEANT THIS TO BE LIMITED BY THE PROVISIONS OF THE AGREEMENT. END COMMENT).

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6. ON REPROCESSING, ZIA SAID THAT PAKISTAN DID NOT HAVE THE CAPABILITY TO REPROCESS SPENT FUEL, BUT HE WOULD SAY TO US WHAT HE SAID TO THE FRENCH: "HELP US IN REPROCESSING AND WE'LL AGREE TO FULL SCOPE SAFEGUARDS TWO HUNDRED TIMES OVER." AT THAT POINT MUNIR KHAN JOINED IN TO SAY THAT WE HAD BEEN IMPRECISE IN OUR STATEMENT THAT REPROCESSING WOULD INDICATE DIVERSION OF MATERIAL FROM SAFEGUARDS. HE NOTED THAT IF PAKISTAN EITHER REPROCESSED AFTER NOTIFYING THE AGENCY OR WITHDREW A DIMINIMUS QUANTITY OF MATERIAL FROM SAFEGUARDS AS IS PROVIDED FOR IN THE AGREEMENT AND REPROCESSED IT, NO DIVERSION OF SPENT FUEL WOULD HAVE OCCURRED.

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7. AT THIS POINT GALLUCCI TOOK THE OPPORTUNITY TO CLARIFY TWO POINTS. HE NOTED THAT IN THE NEAR TERM US CONCERN CENTERED LESS ON THE FRENCH INITIATED FACILITY AT CHASMA AND MORE ON THE NEW LABS FACILITY AT PINSTECH. HE SAID THAT ANY UNSAFEGUARDED REPROCESSING OF SPENT FUEL, BEYOND WHAT MIGHT BE PERMITTED TO BE WITHDRAWN FROM SAFEGUARDS WOULD INDEED BE REGARDED AS A VIOLATION OF SAFEGUARDS BECAUSE THERE WAS NO SOURCE OF SPENT FUEL AVAILABLE TO PAKISTAN OTHER THAN KANUPP.

8. ON THE ISSUE OF ASSURANCES, GALLUCCI NOTED THAT IN SUNDAY'S MEETING THE PRESIDENT HAD REFERRED TO "A NUCLEAR EXPLOSIVE DEVICE OF ANY KIND" AND THAT TODAY HE HAD SAID "NUCLEAR WEAPON." GALLUCCI SAID THAT IT WAS IMPORTANT THERE BE NO AMBIGUITY ON THIS POINT. ZIA SAID HE SPOKE AS A LAYMAN, AND THAT HE WOULD GIVE THE ASSURANCE IN WHICHEVER FORM WE PREFERRED. HE SAID THAT "PAKISTAN WOULD NOT MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE OF ANY KIND." AT THIS POINT ZIA AGAIN ASKED THAT WE GIVE OUR INFORMATION A "SECOND LOOK" TO SEE IF IT WAS ACCURATE. "IT MUST BE EITHER A PLANT OR A

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FABRICATION." I AGAIN ASSURED HIM THAT WE HAD REVIEWED THE INFORMATION VERY CAREFULLY, GIVEN IT A SECOND LOOK, AND WE ARE CONFIDENT OF IT.

9. AT THIS POINT CONVERSATION WOUND DOWN NATURALLY AND WE ADJOURNED FOR DINNER. AFTER DINNER WE GATHERED AGAIN FOR A FEW MINUTES AND ZIA GAVE ME HIS WRITTEN RESPONSE TO PRESIDENT REAGAN'S LETTER, WHICH I READ IN HIS PRESENCE.

10. LETTER TO PRESIDENT, WHICH I AM HAND CARRYING, DESCRIBES MY MISSION AS, UNDER THE CIRCUMSTANCES, TIMELY AND NECESSARY, REVIEWS ASSURANCES GIVEN BY PAKISTAN, GOING BACK TO CARTER ADMINISTRATION, AND ACCEPTANCE WHICH THESE ASSURANCES RECEIVED FROM UNDERSECRETARY BUCKLEY. ZIA SPEAKS OF ANGUISH IT HAS NOW CAUSED HIM TO HEAR OF INCONTROVERTIBLE INFORMATION THAT PAKISTAN HAS TAKEN STEPS TO ACQUIRE NUCLEAR WEAPONS, DESCRIBES SUCH INFORMATION AS TOTAL FABRICATION, GIVES ASSURANCES THAT PAKISTAN NEITHER POSSESSES NOR HAS TRANSMITTED ANY

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DESIGNS OR SPECIFICATIONS OF NUCLEAR WEAPONS TO ANYONE AND NOTES THAT AMBASSADOR WALTERS WILL BE CARRYING RENEWED ASSURANCES IN THIS REGARD. IN REGARD TO KANUPP AND IAEA LETTER CLOSELY PARALLELS ORAL PRESENTATION. LETTER ENDS WITH ASSURANCE THAT PAKISTAN ATTACHES THE SAME IMPORTANCE AS WE DO TO OUR NEW RELATIONSHIP.

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11. MUNIR KHAN ALSO GAVE US A PAPER ENTITLED "STATUTORY AND LEGAL ASPECTS OF SAFEGUARDS ON KANUPP" COMPOSED OF CITATIONS FROM THE AGENCY'S STATUTE, INFCIRC/66/REV. 2, AND INFCIRC/135 AND SUBSIDIARY ARRANGEMENTS.

12. COMMENT: THE LETTER WAS LESS THAN I WOULD HAVE HOPED FOR. THE VERBAL ASSURANCES WENT FURTHER AND
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REPRESENTED I BELIEVE A STATEMENT "IT DID NOT HAPPEN, BUT YOU CAN BE SURE IT WON'T HAPPEN AGAIN." TO HAVE ADMITTED IN WRITING AS HE DID ORALLY "THAT YOUR INFORMATION MUST BE CORRECT" WOULD HAVE REPRESENTED AN INTOLERABLE LOSS OF FACE FOR PRESIDENT ZIA. HE ALSO HAD TO COVER HIS SUBORDINATES. I BELIEVE THAT HE NOW KNOWS THAT WE HAVE THE ABILITY TO WATCH PAKISTANI ACTIVITIES IN THIS FIELD THAT HE HAD NOT SUSPECTED PREVIOUSLY AND THIS WILL CERTAINLY HAVE AN INHIBITING EFFECT ON WHAT THEY DO. WE MUST CONTINUE TO WATCH THEIR ACTIVITIES CLOSELY AND GIVE CAREFUL CONSIDERATION TO THE AWKWARD AND DIFFICULT PROBLEMS OF PERHAPS MAKING AVAILABLE TO PRESIDENT ZIA ALONE SOME SANITIZED PARTS OF OUR EVIDENCE. ORALLY HE WAS CATEGORICAL THAT THEY WOULD NOT DEVELOP ANY NUCLEAR EXPLOSIVE DEVICE OR WEAPON, AFTER I TOLD HIM THAT WE COULD NOT PERCEIVE A DIFFERENCE BETWEEN THE TWO.

13. THE PROTESTATIONS ABOUT THE EVIDENCE BEING A FABRICATION ARE FACESAVING FOR HIMSELF AND HIS SUBORDINATES. HE NOW KNOWS WE KNOW AND I BELIEVE HE IS INTELLIGENT ENOUGH TO UNDERSTAND THE CONSEQUENCES THAT COULD FLOW FROM THAT. IT IS MY VIEW THAT FOR HIM TO HAVE SAID "OKAY. YOU HAVE CAUGHT US AND I WON'T DO IT AGAIN" WOULD HAVE BEEN POLITICAL SUICIDE. I THINK HE HAS THE MESSAGE, AND THE CATEGORICAL ORAL ASSURANCES REITERATED TO ME THAT THEY WILL NOT DEVELOP A NUCLEAR EXPLOSIVE OR WEAPON ARE ABOUT AS FAR AS HE CAN GO REALISTICALLY.

14. TO SUM UP ZIA GAVE ME A LETTER FOR THE PRESIDENT

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REPEATING HIS PAST ASSURANCES. ORALLY HE WENT FURTHER AND ASSURED US THAT PAKISTAN DID NOT INTEND TO DEVELOP EITHER A NUCLEAR EXPLOSIVE OR WEAPON. ON IAEA HE SAID THAT THEY WOULD PROVIDE MORE THAN ALL THE SAFEGUARDS REQUIRED BY THE AGREEMENT BUT WOULD NOT RENEGOTIATE THE

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AGREEMENT. ON REPROCESSING HE SAID THAT IF THE FRENCH OR WE WOULD HELP WITH THE CHASMA REPROCESSING PLANT HE WOULD PROVIDE SAFEGUARDS TWO HUNDRED TIMES OVER.

15. HE EXPRESSED CONCERN THAT WE WOULD INFORM CONGRESS BEFORE PAKISTAN HAD A CHANCE TO SEE THE EVIDENCE AGAINST IT WHICH HE INSISTED WAS FABRICATED, THOUGH EARLIER HE SAID "FOR THE PRESIDENT TO HAVE SENT YOU YOUR EVIDENCE MUST BE CORRECT."

16. NOW THAT WE HAVE DONE THIS, IF WE ARE TO MAKE IT

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WORK, EVERY EFFORT MUST BE MADE IN BRIEFING THE HILL TO PREVENT THIS FROM BECOMING PUBLIC. WHATEVER WE MAY THINK OF THESE ASSURANCES, HE HAS BROUGHT THIS MATTER BEFORE A LARGER CIRCLE OF ADVISERS IN OUR PRESENCE THAN EVER BEFORE AND EXPOSED HIMSELF TO A GREATER DEGREE THAN AT ANY PREVIOUS TIME. KING

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